

**INSURANCE REGULATORY TRUST FUND**  
**INVESTMENT PERFORMANCE REPORT AS OF DECEMBER 31, 2004**

	December-04					September-04				Current	Prior Year	3 Years	5 Years
	Market Value	Allocation	Quarter	Month		Market Value	Allocation	Quarter		FYTD	FY04	Ended	Ended
		Actual	Policy	Net ROR	Net ROR				Net ROR	Net	Net	6/30/2004	6/30/2004
												Net	Net
<b>LARGE CAP DOMESTIC EQUITY</b>													
<i>Structured Growth</i>													
Los Angeles Capital	13,534	1.5%	1.5%	10.37%	4.86%	38,987	1.4%	1.5%	-4.14%	5.80%	N/A	N/A	N/A
<b>Total Structured Growth</b>	<b>13,534</b>	<b>1.5%</b>	<b>1.5%</b>	<b>10.37%</b>	<b>4.86%</b>	<b>38,987</b>	<b>1.4%</b>	<b>1.5%</b>	<b>-4.14%</b>	<b>5.80%</b>	<b>17.58%</b>	<b>-6.28%</b>	<b>-7.85%</b>
Russell 1000 Growth				9.17%	3.92%				-5.23%	3.47%	17.88%	-3.74%	-6.46%
<i>Structured Value</i>													
LSV	14,574	1.6%	1.5%	9.01%	2.72%	42,516	1.6%	1.5%	3.21%	12.51%	30.56%	9.33%	8.36%
Russell 1000 Value				10.38%	3.35%				1.54%	12.08%	21.13%	2.96%	1.87%
<i>Russell 1000 Enhanced Index</i>													
LA Capital	28,547	3.2%	3.0%	9.28%	3.67%	83,054	3.1%	3.0%	-1.68%	7.44%	N/A	N/A	N/A
Russell 1000				9.80%	3.62%				-1.81%	7.81%	N/A	N/A	N/A
<i>S&amp;P 500 Enhanced Index</i>													
Westridge	27,739	3.1%	3.0%	9.47%	3.44%	80,702	3.0%	3.0%	-1.99%	7.29%	N/A	N/A	N/A
S&P 500				9.23%	3.40%				-1.87%	7.19%	N/A	N/A	N/A
<i>Index</i>													
State Street	8,344			9.23%	3.42%	24,291			-1.88%	7.17%	19.01%	-0.75%	-2.28%
<b>Total Index</b>	<b>8,344</b>	<b>0.9%</b>	<b>1.0%</b>	<b>9.23%</b>	<b>3.42%</b>	<b>24,291</b>	<b>0.9%</b>	<b>1.0%</b>	<b>-1.88%</b>	<b>7.17%</b>	<b>19.01%</b>	<b>-0.75%</b>	<b>-2.28%</b>
S&P 500				9.23%	3.40%				-1.87%	7.19%	19.11%	-0.70%	-2.21%
<b>TOTAL LARGE CAP DOMESTIC EQUITY</b>	<b>92,738</b>	<b>10.5%</b>	<b>10.0%</b>	<b>9.45%</b>	<b>3.60%</b>	<b>269,551</b>	<b>10.0%</b>	<b>10.0%</b>	<b>-1.42%</b>	<b>7.90%</b>	<b>21.46%</b>	<b>0.15%</b>	<b>-1.39%</b>
S&P 500				9.23%	3.40%				-1.87%	7.19%	19.11%	-0.70%	-2.21%
<b>SMALL CAP DOMESTIC EQUITY</b>													
<i>Manager-of-Managers</i>													
SEI	45,599	5.2%	5.0%	14.79%	3.88%	134,177	5.0%	5.0%	-3.60%	10.66%	32.99%	5.51%	N/A
Russell 2000 + 200bp				14.64%	3.13%				-2.36%	11.93%	35.99%	7.90%	N/A
<b>TOTAL SMALL CAP DOMESTIC EQUITY</b>	<b>45,599</b>	<b>5.2%</b>	<b>5.0%</b>	<b>14.79%</b>	<b>3.88%</b>	<b>134,177</b>	<b>5.0%</b>	<b>5.0%</b>	<b>-3.60%</b>	<b>10.66%</b>	<b>32.99%</b>	<b>5.54%</b>	<b>7.29%</b>
Russell 2000				14.09%	2.96%				-2.86%	10.83%	33.36%	6.24%	6.63%
<b>CONVERTIBLES</b>													
TCW	89,772	10.2%	10.0%	8.41%	2.91%	263,238	9.8%	10.0%	-4.35%	3.69%	17.50%	1.03%	3.90%
First Boston Convertible Index				5.37%	2.08%				-1.05%	4.26%	14.16%	4.89%	5.75%
<b>INTERNATIONAL EQUITY</b>													
<i>Large Cap - Active</i>													
Capital Guardian	33,144	3.8%	4.0%	10.01%	3.66%	209,486	7.8%	8.0%	-1.77%	8.07%	25.36%	-0.39%	0.54%
LSV	33,363	3.8%	4.0%	N/A	4.80%	-	0.0%	0.0%	N/A	N/A	N/A	N/A	N/A
Transition Account	(9)	0.0%	0.0%	N/A	N/A	-	0.0%	0.0%	N/A	N/A	N/A	N/A	N/A
<b>Total Large Cap - Active</b>	<b>66,498</b>	<b>7.5%</b>	<b>8.0%</b>	<b>10.59%</b>	<b>4.21%</b>	<b>209,486</b>	<b>7.8%</b>	<b>8.0%</b>	<b>-1.77%</b>	<b>8.64%</b>	<b>25.36%</b>	<b>-0.39%</b>	<b>0.54%</b>
MSCI EAFE - 50% Hedged				11.11%	3.85%				-0.72%	10.31%	26.98%	-1.27%	-2.14%
<i>Small Cap - Value</i>													
Lazard	9,349	1.1%	1.0%	16.09%	4.65%	28,144	1.0%	1.0%	0.29%	16.42%	43.30%	N/A	N/A
Citigroup Broad Market Index < \$2BN				16.82%	4.90%				-0.82%	15.86%	47.95%	N/A	N/A
<i>Small Cap - Growth</i>													
Vanguard	9,104	1.0%	1.0%	18.89%	7.12%	26,738	1.0%	1.0%	0.49%	19.47%	44.68%	N/A	N/A
SSB BROAD MARKET INDEX < \$2BN				16.82%	4.90%				-0.82%	15.86%	47.95%	N/A	N/A
<b>TOTAL INTERNATIONAL EQUITY</b>	<b>84,951</b>	<b>9.6%</b>	<b>10.0%</b>	<b>12.55%</b>	<b>4.55%</b>	<b>264,369</b>	<b>9.8%</b>	<b>10.0%</b>	<b>-1.31%</b>	<b>11.07%</b>	<b>29.16%</b>	<b>1.02%</b>	<b>1.39%</b>
MSCI EAFE - 50% Hedged				11.11%	3.85%				-0.72%	10.31%	26.98%	-1.27%	-2.14%
<b>DOMESTIC FIXED INCOME</b>													
<i>Core Bond</i>													
Western Asset	93,242	10.5%	10.0%	1.34%	1.06%	293,191	10.9%	10.0%	3.52%	4.91%	2.42%	7.77%	8.10%
Lehman Aggregate				0.96%	0.92%				3.20%	4.18%	0.32%	6.35%	6.95%
<i>Index</i>													
Bank of ND	117,566	13.3%	15.0%	0.40%	0.67%	368,964	13.7%	15.0%	2.54%	2.95%	0.07%	7.10%	7.25%
Lehman Intermediate Gov/Credit (1)				0.44%	0.68%				2.71%	3.16%	-0.05%	6.97%	7.25%
<i>BBB Average Quality</i>													
Wells Capital (formerly Strong)	52,445	5.9%	5.0%	2.30%	1.68%	164,376	6.1%	5.0%	4.51%	6.92%	1.18%	N/A	N/A
Lehman US Credit BAA				1.69%	1.56%				4.76%	6.53%	1.96%	N/A	N/A
<b>TOTAL DOMESTIC FIXED INCOME</b>	<b>263,253</b>	<b>29.8%</b>	<b>30.0%</b>	<b>1.11%</b>	<b>1.01%</b>	<b>826,531</b>	<b>30.6%</b>	<b>30.0%</b>	<b>3.27%</b>	<b>4.41%</b>	<b>0.79%</b>	<b>7.00%</b>	<b>7.45%</b>
Lehman Gov/Credit				0.80%	1.06%				3.56%	4.39%	-0.72%	6.73%	7.10%
<b>CASH EQUIVALENTS</b>													
<i>Bank of ND</i>													
90 Day T-Bill	307,511	34.8%	35.0%	0.53%	0.21%	938,870	34.8%	35.0%	0.44%	0.97%	1.20%	1.72%	3.39%
				0.48%	0.21%				0.37%	0.85%	0.98%	1.71%	3.30%
<b>TOTAL INSURANCE REGULATORY TRUST</b>	<b>883,823</b>	<b>100.0%</b>	<b>100.0%</b>	<b>4.05%</b>	<b>1.62%</b>	<b>2,696,736</b>	<b>100.0%</b>	<b>100.0%</b>	<b>0.17%</b>	<b>4.22%</b>	<b>9.62%</b>	<b>4.68%</b>	<b>5.21%</b>
POLICY TARGET BENCHMARK				3.64%	1.48%				0.70%	4.36%	7.45%	3.56%	4.12%

NOTE: Monthly returns and market values are preliminary and subject to change.

(1) Prior to April 1, 2004, the benchmark was the LB Govt/Credit index.